Saskatchewan
Finance

Annual Report
2004

Public Employees Deferred Salary Leave Fund

Saskatchewan Centennial 2005

TABLE OF CONTENTS

Letters of Transmittal 2

Introduction 4

Plan Committee Members 4

Participating Employers 4

Administration 4

Funding 4

Participation Experience 4

Management's Report 5

Financial Statements

- Auditor's Report 8
- Statement of Net Assets 9
- Statement of Changes in Net Assets 10
- Notes to the Financial Statements 11

Saskatchewan
Finance

Her Honour, The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of the Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Madam:

Letter of Transmittal

I have the honour to transmit herewith the eleventh Annual Report of the Public Employees Deferred Salary Leave Fund for the year ending December 31, 2004.

I have the honour to be, Madam,

Your obedient servant,

Harry Van Mulligen
Minister of Finance

Saskatchewan
Public Employees
Benefits Agency

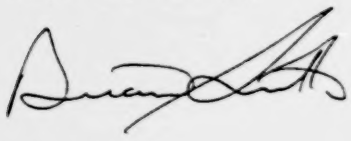
The Honourable Harry Van Mulligen
Minister of Finance
Regina, Saskatchewan

Sir:

Letter of Transmittal

On behalf of the Public Employees Benefits Agency, I have the honour to transmit herewith the eleventh Annual Report of the Public Employees Deferred Salary Leave Fund for the year ending December 31, 2004.

Respectfully submitted,



Brian Smith
Executive Director

Public Employees Deferred Salary Leave Fund

Introduction

The Public Employees Deferred Salary Leave Fund was established on April 4, 1989.

The Fund is used to account for the transactions of the Deferred Salary Leave Plan, which allows employees to defer a portion of their salary for a period of twelve to seventy-two months. The deferred salary must then be used in financing a leave of absence for durations of six to twelve months, subject to the approval of the employer and the terms and conditions of the Plan.

The Fund is a prescribed plan pursuant to regulation 6801 of the *Income Tax Act*.

Plan Committee Members

Chair
Brian Smith
Saskatchewan Finance (PEBA)

Member – Employer Representative
Denise Bridge
Public Service Commission

Laura Lacoursiere
Saskatchewan Legal Aid Commission

Donna McCudden
Public Service Commission

Member – Employee Representative
Ramesh (Ken) Jattansingh
Public Service Commission
CUPE Local 600-3

Grant Sudom
Saskatchewan Legal Aid Commission
CUPE Local 1949

Participating Employers

The following employers participate in The Government of Saskatchewan Deferred Salary Leave Plan:

Information Services Corporation of Saskatchewan
Legislative Assembly Office (Employees of the)
Legislative Counsel and Law Clerk (Employees of the)
Legislative Library (Employees of the)
Liquor and Gaming Authority
Saskatchewan Human Rights Commission
Saskatchewan Legal Aid Commission
Saskatchewan Power Corporation
Saskatchewan Property Management Corporation
Saskatchewan Telecommunications Holding Corporation
Saskatchewan Water Corporation

The Government of Saskatchewan with respect to the following individuals:

Assistant Chief Electoral Officer
Judges of the Provincial Court
Members of the Public Service of Saskatchewan as defined by *The Public Service Act, 1998*

Administration

The Plan is managed by the Public Employees Benefits Agency, Saskatchewan Finance.

Canadian Western Trust Company is on contract to provide trustee and investment management services.

The Recordkeeper Inc. is on contract to provide employee statements and recordkeeping services.

Funding

Funding for the Fund is totally employee paid through salary deferrals. The portion of salary deferred is held in trust by the Fund. Accounts are maintained for each participating employee with interest and administrative fees allocated accordingly.

Participation Experience

	2004	2003
# employees participating at December 31	123	135
Deferrals/withdrawals completed during year	44	48

MANAGEMENT'S REPORT

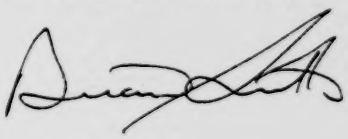
To the Members of the Legislative Assembly of Saskatchewan

As members of management of the Public Employees Deferred Salary Leave Fund, we are responsible for the preparation and presentation of the following financial statements in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The significant accounting policies adopted in the preparation of the financial statements are fully and fairly disclosed in the financial statements.

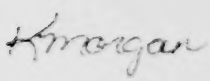
We believe the Public Employees Deferred Salary Leave Fund has a system of internal control adequate to provide reasonable assurance that the accounts are faithfully and properly kept to permit the preparation of accurate financial statements in accordance with Canadian generally accepted accounting principles.

We enclose the financial statements of the Public Employees Deferred Salary Leave Fund for the year ended December 31, 2004 and the Provincial Auditor's report on these financial statements.



Brian Smith
Executive Director
Public Employees Benefits Agency

Perry Bahr
Director, Benefit Programs
Public Employees Benefits Agency



Kathy Morgan
Director, Financial Services
Public Employees Benefits Agency

Regina, Saskatchewan
January 31, 2005

PUBLIC EMPLOYEES DEFERRED SALARY LEAVE FUND

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

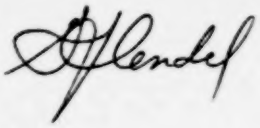
AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets of the Public Employees Deferred Salary Leave Fund as at December 31, 2004 and the statement of changes in net assets for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets of the Fund as at December 31, 2004 and the changes in net assets for the year then ended in accordance with Canadian generally accepted accounting principles.



Regina, Saskatchewan
January 31, 2005

Fred Wendel, CMA, CA
Provincial Auditor

PUBLIC EMPLOYEES DEFERRED SALARY LEAVE FUND **STATEMENT 1**
STATEMENT OF NET ASSETS

AS AT DECEMBER 31

	2004	2003
ASSETS		
Investments (Note 3)	$2,261,520	$2,216,531
Total Assets	$2,261,520	$2,216,531
LIABILITIES		
Accounts payable	$ 2,072	$ 2,167
Total Liabilities	$ 2,072	$ 2,167
NET ASSETS (Statement 2)	$2,259,448	$2,214,364

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES DEFERRED SALARY LEAVE FUND
STATEMENT OF CHANGES IN NET ASSETS

STATEMENT 2

YEAR ENDED DECEMBER 31

	2004		2003
	Budget (Note 5)	Actual	Actual
INCREASE IN ASSETS			
Contributions	$1,263,000	$1,123,839	$1,167,047
Interest revenue (Note 3)	112,725	87,029	90,538
Total increase in assets	1,375,725	1,210,868	1,257,585
DECREASE IN ASSETS			
Redemptions	1,305,000	1,078,653	1,159,243
Interest (Note 3)	102,900	78,269	81,354
Service fees	9,825	8,862	9,277
Total decrease in assets	1,417,725	1,165,784	1,249,874
Increase (decrease) in net assets	(42,000)	45,084	7,711
NET ASSETS, BEGINNING OF YEAR	2,214,364	2,214,364	2,206,653
NET ASSETS, END OF YEAR (Statement 1)	$2,172,364	$2,259,448	$2,214,364

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES DEFERRED SALARY LEAVE FUND
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004

1. Description of Fund

The Public Employees Deferred Salary Leave Plan (Plan) was established on April 4, 1989 and continues under subsection 64(2) of *The Financial Administration Act, 1993* (Act). The Public Employees Deferred Salary Leave Fund is used to account for the transactions of the Plan. Net assets of the Fund represent the accumulated amounts payable to the participants when they take leave of absence or otherwise withdraw from the Fund.

The Plan is managed by the Public Employees Benefits Agency (PEBA). Pursuant to the Act, PEBA is allowed to enter into agreements with other parties to provide administrative services for the Plan. Under an agreement dated February 15, 2002, Canadian Western Trust Company provides trustee and investment management services. Also, under an agreement dated February 1, 2002, the Recordkeeper Inc. provides employee statements and recordkeeping services to the Plan.

The Plan allows participating employees to defer a portion of their salary for a period of twelve to seventy-two months. The deferred salary must then be used in financing a leave of absence for any reason for durations of six to twelve months, subject to the approval of the employer and the terms and conditions of the Plan. The portion of the participant's salary deferred during the year is recorded as Contributions, and the deferred salary used during the year is recorded as Redemptions.

Plan participants are employees of the Public Service of Saskatchewan, as defined by *The Public Service Act* and certain Saskatchewan Crown agencies, whose participation in the Plan has been approved by the Lieutenant Governor in Council.

The Plan is a prescribed plan under the *Income Tax Act*.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles.

3. Investments

The deferred salary is held in GIC deposit accounts maintained for each participating employee. Interest revenue is allocated to individual member accounts based on the weighted average of the interest rates the bank pays for GIC deposits which is 3.94% for 2004 (4.26% in 2003). Each plan participant is also charged a service fee. On December 31, interest for the year is paid to each participating employee.

4. Fair Value of Financial Instruments

The fair value of investments approximates their market value due to their short-term nature.

The fair value of accounts payable approximates their carrying value due to their immediate or short-term nature.

5. Budget

The Public Employees Benefits Agency prepares and approves the budget.